

Reply to the Comments made by Philip Huber:
Lack of a Steering Force for a Life Cycle Approach to Company Certification

Is the Production Chain Really Irrelevant for the Company Image?

PHILIP HUBER supports the idea that the company image is a good motive for company certification, but sees no gain in putting this in a chain perspective. He has two main arguments:

Firstly, upstream companies will generally produce more than one product. For the given company which wants to improve its image, only the purchased products will be relevant while the other products will not.

Secondly, the environmental performance of companies is only weakly related to the environmental quality of products; since it is the purchased products which count for the image of a given company, the environmental performance of the upstream companies will not be very relevant.

We do not agree with this line of reasoning. Our assertion is that the company image has a much broader basis than just the environmental quality of the purchased products. We can clarify this in three steps:

Firstly, there are many examples that it is not the physical quality of the product itself which counts, such as the presence of residues of pesticides on agricultural produce, but also the manner of its production. Dolphin friendly and dolphin unfriendly tuna will have the same physical quality, although the manner of production of the latter has aroused strong concern. As it appeared to be impossible in the US to formally ban dolphin unfriendly tuna coming from Mexico, the retailers introduced a label which changed the market completely.

Secondly, there are many processes in the production of a product which are not specifically related to that one product alone, but which play a role in the functioning of the company as a whole. In our second article [1], we gave examples from the agricultural production chain. Thus, an arable farm will produce a number of products in succession: Potatoes, sugar beets, wheat, grass seed, and possibly others. "Green" consumers would feel now cheated if they heard that the wheat in their bread which was allegedly grown without pesticides, was cultivated on a soil that was still drenched with pesticides due to the potato crop from the previous year. Of course, this is a matter of allocation; the pesticides may in this case also be allocated to the wheat to a smaller extent so that this will also be covered in a usual LCA approach. This example, however, clearly indicates that it is the practice of the farm as a whole which accounts for the farm's image.

Thirdly, we can envisage the situation that some environmental burdens are specifically related to other products of

an upstream company and not to the product to be purchased. Take a farm which uses integrated crop management (ICM) for its main crops, but produces flowers next door under a heavy pesticide load just to strengthen its economic position. We don't think that they will be in a good position for making a long lasting supply agreement with retailers for ICM products.

Let us give one more example from a related field: **Child labour**. In the Netherlands this is an important issue in the carpet branch. First of all, it will be clear that it is not the physical quality of the product itself which is at stake. Secondly, it will be clear that it is a characteristic of the producing company as a whole. Either the company uses child labour for its products or it does not. Suppose, however, that we would hear that child labour is used in an adjacent room of the same company for the production of doormats, we would still be opposed to the carpet although that was produced under sound conditions. The one hand really wants to know what the other hand is doing, if the company image is at stake.

We agree with the further comments made by HUBER, namely that a product from a certified company may indeed be less environmentally friendly than a product from a non-certified company. In our first article [2], we gave the example of a reusable glass bottle from a non-certified company compared with an aluminium can from a certified company. It may be true that we make the choice in favour of an aluminium can, although the one from a company with an environmental certificate will generally be better for the environment than the one from a non-certified company.

References

- [1] H.A. UDO DE HAES; G.R. DE SNOO (1997): The Agro-Production Chain: Environmental Management in the Agricultural Production-Consumption Chain. *Int. J. LCA* 2 (1) 33-38
- [2] H.A. UDO DE HAES; G.R. DE SNOO (1996): Companies and Products: Two Vehicles for a Life Cycle Approach. *Int. J. LCA* 1 (3) 168-170

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